

## REMARKS

Reconsideration of the application is respectfully requested for the following reasons:

1. Rejection of Claims 1-8 and 11-15 Under 35 USC §112, 2<sup>nd</sup> Paragraph

This rejection has been addressed by amending claims 1 and 14 to consistently recite –said content– rather than “the content of the displayed program” or “the content of the program or other images.”

2. Rejection of Claims 1, 2, 7, 14, and 15 Under 35 USC §103(a) in view of U.S. Patent Publication No. 2002/0083469 (Jeannin) and U.S. Patent No. 6,282,713 (Kitsukawa)

This rejection is respectfully traversed on the grounds that the Jeannin publication and the Kitsukawa patent fail to disclose or suggest, whether considered individually or in any reasonable combination, the claimed updating of advertisements inserted into *interactive* programs, based on user responses to program *content*. Instead, the Jeannin publication discloses insertion of advertisements into ordinary non-interactive video programs, *i.e.*, programs in which viewer choices do not affect the content of the program, while the Kitsukawa publication discloses superposition of icons or text onto a program, the icons or text enabling selection of an advertisement, also without affecting the content of the program. Thus, neither the Jeannin publication (which was initially applied in an Official Action dated November 21, 2003) nor the Kitsukawa publication (applied in the August 11, 2005 Official Action) discloses or suggests updating of advertisements inserted into interactive programs, much less insertion of advertisements into interactive programs based on user responses to program content. **In the claimed invention, the user interacts with a program, and ads are selected based thereon. In Jeannin, ads are pre-inserted into a program with no interaction. In Kitsukawa, ads (coupons) may be selected by a user, but the selection of ads has nothing to do with program content.**

Basically, all of the prior art disclosing advertisement insertion involves user responses to “ad marks” in the program. There is no suggestion in any of the references of modifying the program itself, *i.e.*, of an interactive program. For example, as depicted in Fig. 3 of the Jeannin publication and described in paragraph [0036], advertisements are inserted into the video stream at the time of authoring (step 100) and *before* transmission or broadcast. As a result, reactions of the user to the content of the broadcast do not affect the advertisements. There is no user interaction with the program itself.

Similarly, Fig. 4 of the Kitsukawa patent shows display of a program, selection of an optional ad alert mode, and display of ads with the option of full ad or icon display. The ads are not displayed in response to user interaction with program content. Instead of selecting ads based on user interaction with the program content, Kitsukawa’s system simply displays a program and permits users to select ads “**which are available.**” This is qualitatively different than, and not suggestive of, the claimed invention

In the first complete paragraph on page 4 of the Official Action, the Examiner cites Kitsukawa’s teachings of scene 902 and **coupon** information alerts as being suggestive of advertisement selection based on program content. However, **coupon alerts** 920-924 are NOT selected based on interaction with program content (any more than the ad icons described in a previous response). The program of Kitsukawa is NOT interactive. The coupon alerts are predetermined, and furthermore are merely alerts that a coupon is available for recall by the viewer. Selection of a coupon has no affect on program path, which is not variable.

These distinctions may again be summarized as follows:

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|----------|---|
| Claimed: | <ul style="list-style-type: none"><li>• <b>Interactive Program with Multiple Paths</b></li><li>• <b>Advertisement Selected Based, at least in part, on Viewer Path Selection</b></li><li>• <b>Selected Advertisement Appears as Part of Program Content</b></li></ul> |
| Jeannin: | <ul style="list-style-type: none"><li>• Regular “Broadcast” Program—<u>No Path Choosing Option</u></li></ul>  |

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- Advertisements embedded in program before broadcast—**Not Affected by Program Content**
- Kitsukawa:
- Regular “Broadcast” Program—**No Path Choosing Option**
  - Advertisement Selected Based on Viewer Selection of Icon or Text (Coupon Alert)—Has **NO effect on Program Content**
  - Selected Advertisement Superimposed on Program, **Does NOT Appear as Part of Program Content**

According to the invention, when the user makes a certain choice during interaction with the program, the program selects an advertisement for insertion into the program based on the choice of the user. For example, in a race car game, the “driver” might be presented with various refreshment options during a pit stop. If the user/driver chooses a soft drink, then a Coke add might appear as one of the background signs when the race resumes. If the user/driver selects fruit juice, then a Minute Maid ad might appear. Nothing similar is suggested by any of the references of record.

As would be understood by those skilled in the art, the term “**program content**” refers to the plot, characters, and settings of a program, which make up “scenes.” The program content is the reason that the user is watching the program. Normally, a program content is predetermined, *i.e.*, the scenes follow each other in a predetermined order and cannot be changed, the viewer passively viewing the program **without affecting program content**. That is the case in the systems of Jeannin and Kitsukawa. In contrast, an interactive program of the type claimed will have multiple different outcomes, *i.e.*, different scenes will occur based on user choices. In other words, user choices affect the program content. Thus, the language of the claims clearly distinguishes Jeannin and Kitsukawa.

It is true that the present invention inserts advertisements into scenes, in a manner similar to the insertion described in the Jeannin publication. However, Jeannin does not teach that the advertisements to be inserted are selected based on user choices with respect to program content. **The user does not choose the advertisements, but rather makes choices with respect to**

interactive program content (in the same way that he or she would even if advertisements were not presented), and the advertisements are selected based on the user's choices. The advertisements are not selected based on previously-collected demographic data, as in Jeannin, and the user does not select an advertisement for viewing independently of the program or program content, as in Kitsukawa.

The Jeannin publication merely discloses insertion of advertisements into an ordinary video program. The content of the program, except for the inserted advertisements, is not determined by the viewer. Instead, the insertion of advertisements is based solely on a "viewer profile" that lists previously selected advertisements. Furthermore, the Jeannin publication specifically teaches away from the insertion method used by the claimed invention, in which an advertisement is inserted into a **selected portion** of the displayed program or other images. Instead, Jeannin uses an object-based video coding scheme to author a program in which diverse objects are "isolated" in their scenes, and separately delineated from the video stream, as explained in respective paragraphs [0031] and [0014] on page 2 of the Jeannin patent.

According to the Jeannin patent and other advertisement-insertion systems, the viewer of a program can interactively respond to an inserted advertisement. This is referred-to as a "click-through," and is well-known. This is not, however, the same as the claimed invention, in which advertisements are updated based on the user's response to the program. The claimed invention customizes the advertisements based on viewer responses to the **program itself**, rather than relying on demographic data or the like, the inserted advertisements blending into the program so as not to distract from the interactive viewing experience, but only into portions of the display so as to avoid the need for "objects" of the type disclosed by Jeannin.

The Kitsukawa patent does not come close to making up for the deficiencies of the Jeannin patent. The advertising icons of Kitsukawa cannot be said to determine selection of a path from among the multiple paths of an interactive program. To the contrary, since Kitsukawa does not disclose multiple program paths, as claimed, it could not possibly have suggested

insertion of advertisements based on the program paths selected by the user. **The advertisements inserted by the system of Kitsukawa are simply placed on top of the program, and are not intended to be viewed as part of the program content.**

It is again respectfully noted that there is NO suggestion in Kitsukawa that the program over which the ad icons or coupon alerts are superposed is an interactive program *whose path is determined by responses by the viewer*. To the contrary, col. 1, lines 24-34 of Kitsukawa lists the type of broadcast programs available, and none involves interactivity of the type claimed, *i.e.*, interactivity in which viewer responses determine program content. In the system of Kitsukawa, viewer response (clicking on text or an icon) determines whether an advertisement is displayed, but the viewer response does not affect the underlying program content (in Fig. 5, the actions of the man and boy). Although the viewer might select a mark or coupon that is related to program content, the selection is not *in response to* the program content, but rather a response to the display of the mark, which merely indicates whether the viewer wants to see an advertisement.

As indicated in a previous Official Action, the claimed invention is essentially the converse of what is taught by Jeannin, since the insertion of ads in Jeannin is the result of a library of previous ad selections rather than the result of responses to the content of the programs into which the ads are inserted, as illustrated by the following:

<u>Jeannin:</u>	insert ads into non-interactive program	→	viewer selects ads	→	<u>previous ad selections</u> used to determine future ad insertions
<u>Claimed:</u>	play interactive program	→	viewer responds to program content	→	viewer <u>responses to program content</u> determines future ad insertions

On the other hand, the Kitsukawa publication, merely discloses insertion of advertisements into an ordinary video program, with the twist that the advertisements or coupons are selected by clicking on “alerts” displayed in a section of the screen, as follows:

<u>Kitsukawa:</u>	insert markers into non-interactive program	→	viewer selects marker	→	ad is displayed
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Claimed: play interactive program → viewer responds to program content → viewer responses to program content determines future ad insertions

There are a variety of “interactive” programs into which the ads may be inserted. One is the “**multi-path**” movie which pauses at various points during the movie and gives the viewer the option of selecting one of two outcomes, which determines how the movie proceeds. Another is an interactive **video game**. However, in each of these types of interactive programs, and by definition in all other interactive programs, the viewer is responding to the **content** of the program **itself**. The Jeannin publication and Kitsukawa patent do not concern such interactive programs, and in particular do not disclose or suggest insertion of advertisements into a program based on viewer reactions to program content (as opposed to viewer selection of particular advertisements), and therefore withdrawal of the rejection of claims 1, 2, 7, 14, and 15 under 35 USC §103(a) is respectfully requested.

3. Rejection of Claims 3-6 Under 35 USC §103(a) in view of U.S. Patent Publication No. 2002/0083469 (Jeannin) and U.S. Patent Nos. 6,282,713 (Kitsukawa) and 6,208,386 (Wilf)

This rejection is respectfully traversed on the grounds that the Wilf patent, like the Kitsukawa patent and Jeannin publication, does not disclose or suggest insertion of advertisements into an interactive program based on selection of multiple program paths, as recited in claim 1. Instead, the Wilf patent is directed to systems for locating and replacing billboards that appear in broadcast television programs, and does not anywhere mention processing, transmission, or reply to viewer responses to the replacement “billboards.” While Wilf might suggest using blue screen or chroma-key technology for the purpose of embedding ads in the system of Jeannin, neither Wilf nor Jeannin, nor the Kitsukawa publication, discloses doing so in response to user interaction with an interactive program, as claimed, and therefore withdrawal of the rejection of claims 3-6 under 35 USC §103(a) is respectfully requested.

4. Rejection of Claim 8 Under 35 USC §103(a) in view of U.S. Patent Publication No. 2002/0083469 (Jeannin), U.S. Patent No. 6,282,713 (Kitsukawa), and U.S. Patent Publication No. 2001/0027559 (Tanabe)

This rejection is respectfully traversed on the grounds that the Tanabe publication, like the Kitsukawa patent and Jeannin publication, does not disclose or suggest insertion of advertisements into an interactive program based on responses submitted by the user, via an interface device, to the main program. While the Tanabe publication is directed to interactive advertisements, it does not seek to insert advertisements into a video program or on-line game, but rather simply adds a “browser unit” to a television broadcast receiver so as to HTML graphic displays (webpages) which are displayed. These webpages are not integrated into the program in the claimed manner and, while viewer data is solicited in the form of “limiting information” (see, col. 6, paragraph [0097]) and responses to the advertisements in the form of purchase orders may also be solicited, there is no attempt to *modify* or select inserted advertisements based on the viewer responses to the advertisements.

As explained in col. 7, paragraph [0116] of Tanabe, *after* checking the limiting information and requesting transmission of contents after a pause for downloading of the webpage:

*...the browser unit 24 presents the advertising information stored in the storage unit 21 for display on the display unit 18 in accordance with the limiting information and the contents of the advertising scenario header stored in the storage unit 21. The browser unit 24 sends the contents pause request to the reproduction control unit 23 immediately before initiating the display of the advertising information, and sends the restart request to the reproduction control unit 23 immediately after ending the display. **The temporarily stopping and restarting of the transmission of the contents** is thus effected in accordance with the above protocol.*

Thus, contrary to the claims of the present application (and in particular to the step of “inserting, **while said program or other images are being displayed,** . . .”), and also contrary to the system of Jeannin, Tanabe **starts** and **stops** programming during display of the advertisements rather than integrating advertisements into the programming. Furthermore, the advertisements are selected based on data entered by a viewer in response to a query contained in a webpage that is displayed

upon pausing the program through a “WWW page prompting for entry of limiting information” (col. 7, paragraph [0109]), and not on inputs by a viewer in response to the programming and/or advertisements themselves.

Because the Jeannin publication, Kitsukawa patent, and Tanabe publication, whether considered individually or in any reasonable combination, fail to disclose or suggest an advertisement insertion system in which inserted advertisements may be modified based on viewer responses to the advertisements and/or programs into which the advertisements are inserted, with Tanabe failing to even teach advertisement insertion much less modification of the advertisements based on viewer responses thereto, withdrawal of the rejection of claim 8 based on the Kitsukawa patent and the Jeannin and Tanabe publications is respectfully requested.

5. Rejection of Claim 11 Under 35 USC §103(a) in view of U.S. Patent Publication No. 2002/0083469 (Jeannin), U.S. Patent Nos. 6,282,713 (Kitsukawa) and 6,172,677 (Stautner)

This rejection is respectfully traversed on the grounds that the Stautner patent, like the Jeannin publication and Kitsukawa patent, does not disclose or suggest insertion of advertisements into an interactive program based on responses submitted by the user, via an interface device, to either the main program or to a previously inserted advertisement. Instead, the Stautner patent discloses embedding of web-based content into broadcast program guides. **As in the Tanabe system discussed above, response to an advertisement in the Stautner system does not modify the manner in which advertisements are inserted.**

Similarly to the icons or coupon alerts of Kitsukawa, although a displayed advertisement can function as an icon for initiating a sequence of events, such as the ordering of a pizza (col. 6, lines 50-60 of Stautner), the ordering of the pizza has **no** effect on the display of advertisements, and thus there is no feedback in the manner of the claimed invention. Accordingly, withdrawal of the rejection of claims 10-11 under 35 USC §103(a) is respectfully requested.



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6. Rejection of Claim 12 Under 35 USC §103(a) in view of U.S. Patent Publication No. 2002/0083469 (Jeannin), U.S. Patent Nos. 6,282,713 (Kitsukawa) and 6,618,858 (Gautier)

This rejection is respectfully traversed on the grounds that the Gautier patent relates solely to user identification, and therefore does not suggest modification of the system disclosed in the Jeannin publication (whether or not considered in view of the Kitsukawa patent) to provide for insertion of advertisements into an interactive program based on responses submitted by the user, via an interface device, to either the main program or to a previously inserted advertisement.

7. Rejection of Claim 13 Under 35 USC §103(a) in view of U.S. Patent Publication No. 2002/0083469 (Jeannin), U.S. Patent Nos. 6,282,713 (Kitsukawa) and 6,172,677 (Stautner), and U.S. Patent Publication No. 2002/0016965 (Tomsen)

This rejection is respectfully traversed on the grounds that the Tomsen publication is directed to a system that permits a viewer of a commercial on interactive television to save the commercial for later viewing and interaction, and therefore could not possibly have suggested modification of the system of Jeannin, whether or not considered in view of the Kitsukawa and Stautner patents, to provide for insertion of advertisements into an interactive program based on responses submitted by the user, via an interface device, to either the main program or to a previously inserted advertisement.

As noted in a previous response, the present invention provides an improvement over the system of Jeannin in which inserted advertisements may be modified according to viewer reaction or feedback, thereby making use of the capabilities provided by interactive television or gaming protocols. The applicant does not claim to have invented interactive television or interactivity in general, but only to have invented a specific, extremely useful, application of interactive television capabilities in which reaction of the viewer to a program or advertisement inserted into the program is used as a basis for modifying the advertisement. This is not the same as Tomsen's storage of an advertisement for later replay and interaction, and therefore withdrawal of the rejection of claim 13 under 35 USC §103(a) is respectfully requested.

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Having thus overcome each of the rejections made in the Official Action, withdrawal of the rejections and expedited passage of the application to issue is requested.

Respectfully submitted,

BACON & THOMAS, PLLC

A handwritten signature in black ink, appearing to be 'B. Urcia', with a long horizontal line extending to the right.

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Date: April 28, 2006

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